



## **JOINT POWERS AGREEMENT CREATING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY**

This Agreement is executed in the State of California by and among those public agencies organized and existing under the Constitution of the State of California, which are parties signatory to this Agreement. All such agencies which become members shall be listed in Appendix A, attached hereto and made a part hereof.

### **RECITALS**

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, the public agencies executing this Agreement desire to join together for the purpose of jointly funding, purchasing and/or establishing insurance and risk management programs as determined; and

WHEREAS, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.6 provides that the cost of insurance is a proper charge against the local public entity; and

WHEREAS, California Government Code Section 990.8 provides that two or more local public entities by a joint powers agreement may provide insurance by any one or more of the methods specified in Government Code Section 990.4, and the pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

WHEREAS, California Government Code Section 990.8 also provides that a joint powers agreement may provide that if any peril insured or covered under a contract has existed and the joint powers authority or other parties participating in the pool have been liable for any period, the agreement may provide that the insured or covered party is not entitled to the return of premiums, contributions, payments, or advances so far as the particular risk insured or covered is concerned;

NOW THEREFORE, the parties agree as follows:

## **ARTICLE 1. DEFINITIONS**

“Authority” or “CPEIA”	shall mean the California Public Entity Insurance Authority created by this Agreement.
“Authority Program” or “CPEIA separate Program”	shall mean a program authorized by the Board and apart from a program of the EIA.
“Board of Directors” or “Board”	shall mean the governing body of the Authority.
“Excess Insurance Authority” or “EIA”	shall mean the CSAC Excess Insurance Authority.
“EIA Program”	shall mean a program established by the EIA that is made accessible to the Authority and in which the Board may authorize Authority participation.
“Fiscal Year”	shall mean that period of twelve (12) months which is established by the Board as the fiscal year of the Authority.
“Government Code”	shall mean the California Government Code.
“Insurance program” or “Program”	shall mean a program of the Authority under which a participating member or other public entity is protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or reinsurance or any other combination as determined by the Board. The Board may determine applicable criteria for determining eligibility in any program, as well as establishing program policies and procedures.

“Joint Powers Law”	shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with section 6500) of the Government Code.
“Memorandum of Understanding” or “MOU”	shall mean a document executed by a member setting forth provisions for program coverage or establishing a program of the Authority or otherwise providing for implementation of the provisions of this Agreement.
“Participating Member” or “Member”	shall mean any public agency, which has entered a program of the [or, which has obtained insurance coverage through the] Authority pursuant to this Agreement and has not withdrawn or been canceled therefrom.
“Public Agency”	shall also mean “public entity.”
“Reinsurance”	shall mean insurance purchased by the Authority as part of an insurance program to cover that portion of any loss that exceeds the joint funding capacity of that program.
“Self-Insured Retention” or “SIR”	shall mean that portion of a loss resulting from an occurrence experienced by a member that is retained as a liability or potential liability of the member and is not subject to payment by the Authority.

## **ARTICLE 2. PURPOSES**

This Agreement is entered into by the members in order to jointly develop and fund insurance and other related programs as determined by members and other public entities wishing to participate in such programs or obtain services. Programs may be either EIA Programs or Authority Programs and may include, but are not limited to, the creation of joint insurance funds, including excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative and other services. Such services may include, but shall not be limited to, risk management

consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting and legal defense services.

### **ARTICLE 3. PARTIES TO THE AGREEMENT**

(a) Each member, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 18 as to all programs in which the member participates. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 19 and 20, shall not affect this Agreement or the member's obligations hereunder.

(b) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Understanding or other similar document evidencing coverage, such Memorandum of Understanding or other document shall prevail.

### **ARTICLE 4. TERM**

This Agreement shall become effective when executed and returned to the Authority within thirty (30) days after execution by at least two (2) public agencies. The Authority shall promptly notify all members in writing of the effective date of this Agreement. This Agreement shall remain in effect until terminated as provided herein.

### **ARTICLE 5. CREATION OF THE AUTHORITY**

Pursuant to the joint powers law there is hereby created a public entity separate and apart from the parties hereto, to be known as the California Public Entity Insurance Authority, with such powers as are hereinafter set forth.

### **ARTICLE 6. ACCOUNTABILITY AND REPORTS**

The Authority, pursuant to Government Code Section 6505, shall provide for strict accountability of all funds and report of all receipts and disbursements. The auditor or controller

of the Authority shall contract with a certified public accountant to perform an annual audit of the accounts and records of the Authority.

## **ARTICLE 7. POWERS OF THE AUTHORITY**

The Authority shall have all of the powers common to its members and all additional powers as set forth in the joint powers law, and it is hereby authorized to do all acts necessary in the exercise of said powers. Such powers include, but are not limited to, the following:

- (a) To make and enter into contracts.
- (b) To employ agents and employees.
- (c) To incur debts, liabilities and obligations.
- (d) To acquire, hold, or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and public agencies.
- (e) To sue and be sued in its own name and to settle any claim against it.
- (f) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment or property.
- (g) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (h) To carry out all provisions of this Agreement

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

## **ARTICLE 8. BOARD OF DIRECTORS**

The Authority shall be governed by a Board of Directors, which shall consist of the eleven (11) members. Beginning on July 1, 2001, the members shall consist of the nine (9) voting members of the EIA Executive Committee, plus two (2) representatives of parties to the Agreement appointed by the Board. As of January 1, 2002, the Board shall consist of seven (7) voting members of the EIA Executive Committee to be selected by the EIA Executive Committee, plus four (4) representatives of parties to the Agreement to be elected by the CPEIA members in a manner prescribed in the Bylaws.

As of January 1, 2003 the Board shall consist of five (5) EIA Executive Committee members and six (6) elected CPEIA members. As of January 1, 2004, the Board shall consist of two (2) EIA members and nine (9) elected CPEIA members. As of January 1, 2004, the membership of the Board shall remain the same unless otherwise amended by this Agreement. If at any time sufficient CPEIA members are not available to fill their designated slots, then the EIA Executive Committee shall fill vacant positions from their own membership until the next annual election. The Board, through adoption or amendment of its Bylaws, may designate certain positions of the Board members to be from designated entities (for example, three (3) from Joint Powers Authorities, three (3) from cities, three (3) from other entities.).

Seven (7) members of the Board shall constitute a quorum for the transaction of business. Each Board member shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the participating members, action by the Board shall require an affirmative vote of a majority of the member present and voting.

At any meeting at which a quorum is initially present the Board may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum, provided that no action shall be valid or binding unless approved by a majority of the members of the Board.

## **ARTICLE 9. POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors shall have the following powers and functions:

(a) The Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the member or by law.

(b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.

(c) The Board, in accordance with Article 12 of the Agreement, may create those committees it deems appropriate to carry out the work of the Authority. The Board may designate those committees that are advisory only, and may from time to time provide powers and duties to any committee, as the board deems appropriate. The committees may develop, evaluate and review all matters pertaining to the business of the Authority, as well as any of its

programs and services. The powers and duties so delegated shall be specified in resolutions adopted by the Board or otherwise set forth in the Bylaws.

(d) The membership of any such committee may consist in whole or in part of persons who are not members of the Board.

(e) The Board may appoint or employ necessary staff in accordance with Article 13.

(f) The Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated.

(g) The Board shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each program of the CPEIA, including all provisions for reinsurance and administrative services necessary to carry out such program and the Board shall determine those programs of the EIA that will be available to members of CPEIA

(h) The Board shall provide for necessary services to the Authority and to members, by contract or otherwise, which may include, but shall not be limited to, staff, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.

(i) The Board shall provide general supervision and policy direction to the staff.

(j) The Board shall receive and act upon reports of the committees and the staff.

(k) The Board shall act upon each claim involving liability of the CPEIA, directly or by delegation of authority to a committee, body or person, provided, that the Board shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board for approval.

(l) The Board may require that the Authority review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of the Authority. The Board may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.

(m) The Board shall receive, review and act upon periodic reports and audits of the funds of the Authority, as required under Article 16 of this Agreement.

(n) The Board may, upon consultation with a casualty actuary, declare that any funds established for any CPEIA program has a surplus of funds and determine a formula to return such surplus to the participating members that have contributed to such fund.

(o) The Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

## **ARTICLE 10. MEETINGS OF THE BOARD OF DIRECTORS**

(a) The Board shall hold at least two (2) meetings each year and shall provide for such other meetings and for such special meetings, as it deems necessary.

(b) The staff of the Authority shall provide for the keeping of minutes of regular and special meetings of the Board, and shall provide a copy of the minutes to each member of the Board at the next scheduled meeting.

(c) All meetings of the Board and such committees as established by the Board pursuant to Article 12 herein, shall be called, noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

## **ARTICLE 11. OFFICERS**

The President and Vice President of the Board shall be selected as provided in the Bylaws and shall serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board.

## **ARTICLE 12. COMMITTEES**

The Board of Directors may establish committees, as it deems appropriate to conduct the business of the Authority. Members of the committees shall be appointed by the Board, to serve two-year terms in accordance with the Bylaws. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Board.



### **ARTICLE 13. STAFF**

(a) Principal Staff. The following staff members shall be provided by the EIA to the Authority as set forth in the Joint Powers Agreement between the EIA and CPEIA, which provisions are incorporated herein by reference:

(1) General Manager/Secretary/Treasurer. The General Manager/Secretary/Treasurer shall administer the business and activities of the Authority, subject to the general supervision and policy direction of the Board of Directors; shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as are assigned by the Board.

(2) Treasurer. Pursuant to Government Code Section 6505.6, the Board shall use the Treasurer of the EIA, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(3) Auditor. The Auditor shall draw warrants to pay demands against the Authority when approved by the Treasurer. Pursuant to Government Code Section 6505.6, the Board shall use the Auditor of the EIA, who shall comply with the provisions of Government Code Section 6505.5 (a-d).

(b) Other Staff. The Board or General Manager/Secretary shall provide for the appointment of such other staff as may be necessary for the administration of the Authority.

### **ARTICLE 14. DEVELOPMENT, FUNDING AND IMPLEMENTATION OF PROGRAMS**

(a) Access to the EIA's programs and services shall be made available to public entities and members as is more particularly set forth in the Joint Powers Agreement between the EIA and CPEIA. CPEIA programs and services may be established by the Board, the details of which will be outlined in a Memorandum of Understanding.

(b) Program Coverage. Programs may include CPEIA Programs and EIA Programs both of which may provide coverage, including, but not limited to, excess or primary insurance coverage for:

- (1) Workers' compensation;
- (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;

- (3) Comprehensive automobile liability;
- (4) Health facilities professional liability;
- (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors.

(c) EIA Programs. CPEIA members participating in EIA programs shall execute a Memorandum of Understanding (MOU) for each EIA program in which they are a participant. Such MOU(s) may provide for, but not be limited to, program funding, Authority funding, development charges, annual premium, premium surcharge, implementation and effective date, late entry into program, administration of claims, underwriting and claims administration standards, and program withdrawal or cancellation.

CPEIA members participating in EIA Programs shall fund program charges, program administrative costs and general administrative costs in accordance with the equitable allocation formula developed and approved by the EIA.

(d) CPEIA Programs. Members participating in CPEIA programs shall execute a MOU for each CPEIA Program in which they are a participant. Such MOU(s) may provide for, but not be limited to, program funding, Authority funding, development charges, annual premium, premium surcharge, implementation and effective date, late entry into program, administration of claims, underwriting and claims administration standards, and program withdrawal or cancellation.

Members participating in CPEIA Programs shall fund program charges, program administrative costs and general administrative costs in accordance with an equitable allocation formula developed and approved by the Board of Directors.

## **ARTICLE 15. ACCOUNTS AND RECORDS**

(a) Annual Budget. The Authority shall annually adopt an operating budget pursuant to Article 9 of this Agreement, which shall include a separate budget for each program under development or adopted and implemented by the Authority.

(b) Funds and Accounts. The Auditor of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each program under development or adopted and implemented by the Authority. Books and records of the Authority

in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of the members.

The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.

(c) Auditor's Report. The Auditor, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.

(d) Annual Audit. Pursuant to Government Code Section 6505, the Authority shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of the Authority, conforming in all respects with the requirements of that section.

## **ARTICLE 16. RESPONSIBILITIES FOR FUNDS AND PROPERTY**

(a) The Treasurer shall have the custody of and disburse the Authority's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.

(b) Pursuant to Government Code Section 6505.5, the Treasurer shall:

(1) Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer to the credit of the Authority.

(2) Be responsible upon his or her official bond for the safekeeping and disbursements of all Authority funds so held by him or her.

(3) Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Auditor.

(4) Verify and report in writing to the Authority and to members, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

(c) Pursuant to Government Code Section 6505.1, the General Manager/Secretary/Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of the Authority.

(d) The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of the Authority, and all officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

## **ARTICLE 17. RESPONSIBILITIES OF MEMBERS**

Members shall have the following responsibilities under this Agreement.

(a) Each member shall appoint an officer or employee of the entity to be responsible for the risk management function for that member and to serve as a liaison between the member and the Authority for all matters relating to risk management.

(b) Each member shall maintain an active safety program, and shall consider and act upon all recommendations of the Authority concerning the reduction of unsafe practices.

(c) Each member shall provide the Authority such other information or assistance as may be necessary for the Authority to develop and implement insurance programs under this Agreement.

(d) Each member shall cooperate with and assist the Authority, the EIA, and any insurer of the Authority or EIA, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules adopted by the Board of Directors.

(e) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, program MOU(s), and Bylaws, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

## **ARTICLE 18. NEW MEMBERS**

Any non-member may become a party to this Agreement and participate in any CPEIA Program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the Board. For participation in an EIA Program, approval by the EIA in a manner prescribed by the EIA shall also be required.

## **ARTICLE 19. WITHDRAWAL**

A member, after becoming a participant in a program of the Authority, may withdraw from that program only at the end of a policy year for the program, and only if it gives the Authority at least sixty (60) days advance written notice of such action.

## **ARTICLE 20. CANCELLATION**

(a) Notwithstanding the provisions of Article 19, the Board of Directors may:

(1) Cancel any member from this Agreement and membership in the Authority, on a vote of two-thirds of the Board members present and voting. Such action shall have the effect of canceling the member's participation in all CPEIA Programs and EIA Programs as of the date that all membership is canceled.

(2) Cancel any member's participation in a CPEIA or EIA Program, without canceling the member's membership in the Authority or participation in other programs, on a vote of two-thirds of the Board members present and voting.

The Board shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the program, as the case may be.

(b) A member which withdraws from all programs of the Authority in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn from the Agreement at the end of such period, and its membership in the Authority shall be automatically canceled as of that time, without action of the Board of Directors.

## **ARTICLE 21. EFFECT OF WITHDRAWAL OR CANCELLATION**

(a) If a member's participation in a program is canceled under Article 20, with or without cancellation of membership in the Authority, and such cancellation is effective before the end of the policy year for that program, the Authority shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.

(b) Except as provided in (a) above, a member which withdraws or is canceled from this Agreement and membership in the Authority, or from any CPEIA or EIA program, shall not be entitled to the return of any premium or other payment to the Authority, or of any property contributed to the Authority. However, in the event of termination of this Agreement, such member may share in the distribution of assets of the Authority to the extent provided in Article 22 provided; however, that any withdrawn or canceled member which has been assessed a premium surcharge pursuant to any Memorandum of Understanding shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.

(c) Except as provided in (d) below, a withdrawn or cancelled member shall pay any premium charges which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, any premium surcharge assessed to the member under an MOU; and any additional amount of premium which the Board determines to be due from the withdrawn or cancelled member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with the Authority's invoice and payment policy.

(d) Those members which who have withdrawn or been canceled pursuant to Articles 19 and 20 from any program of the Authority during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the member's participation in any program or as otherwise defined in any program MOU.

## **ARTICLE 22. TERMINATION AND DISTRIBUTION OF ASSETS**

(a) This Agreement may be terminated by three-fourths of the members, acting through their governing bodies; provided, however, that this Agreement and the Authority shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority in each program shall be distributed among those members that participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.

(c) Following termination of this Agreement, any member who was a participant in a program of the Authority shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be necessary to enable final disposition of all claims arising from losses under that program in accordance with an applicable MOU.

(d) Termination of this Agreement by any party shall not be construed as a completion of the purposes of the Agreement and shall not require the repayment or return to the parties of all or any portion of any contributions, payments, or advances made by the parties until the Agreement is rescinded or terminated as to all parties.

### **ARTICLE 23. LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS AND LEGAL ADVISORS**

The members of the Board of Directors, Officers, committee members and legal advisors to any Board or committees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any Director, Officer, committee member or legal advisor to any committee for

their actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage, as is hereinabove set forth.

## **ARTICLE 24. BYLAWS**

The Board may adopt Bylaws consistent with this Agreement, which shall provide for the administration and management of the Authority.

## **ARTICLE 25. NOTICES**

The Authority shall address notices, billings and other communications to a member as directed by the member. Each member shall provide the Authority with the address to which communications are to be sent. Members shall address notices and other communications to the Authority to the General Manager/Secretary of the Authority, at the office address of the Authority as set forth in the Bylaws.

## **ARTICLE 26. AMENDMENT**

This Agreement may be amended by a two-thirds (2/3) vote of the Board following a ninety (90) day review and comment period during which time proposed amendments shall be circulated to the members of the CPEIA and approved by the EIA Executive Committee. After five (5) years from the date of this Agreement, approval of the EIA Executive Committee shall no longer be needed for amendment of this Agreement.

## **ARTICLE 27. PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of the Authority.

## **ARTICLE 28. AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.



## **ARTICLE 29. EFFECTIVE DATE OF AMENDMENTS**

Any amendment of this Agreement shall become effective upon the approval of any Amended Agreement by the Board of Directors as set forth in Article 26.

## **ARTICLE 30. DISPUTE RESOLUTION**

When a dispute arises between the Authority and a member, the following procedures are to be followed:

(a) Request for Reconsideration. The member will make a written request to the Authority or the appropriate Committee to reconsider its position, citing the arguments in favor of the member and any applicable case law that applies. The member can also request a personal presentation to that Committee, if it so desires.

(b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider the Authority's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.

(c) Board of Directors Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Board of Directors for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Board, that Board member shall be deemed to have a conflict and shall be excluded from any vote.

(d) Arbitration. If the member is not satisfied with the outcome of the Board of Directors appeal, the next step in the appeal process is arbitration. The arbitration may be binding or non-binding, as mutually agreed upon by the parties. The matter will be submitted to a mutually-agreed-upon arbitrator or panel of arbitrators for a determination. If binding arbitration is selected, the decision of the arbitrator or panel of arbitrators will be final and conclusive and the member and the Authority will abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and the Authority.

(e) Litigation. If, after following the dispute resolution procedure set forth in paragraphs (a)-(d) above, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

### **ARTICLE 31. FILING WITH SECRETARY OF STATE**

The General Manager/Secretary of the Authority shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

**IN WITNESS WHEREOF**, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
MEMBER

APPENDIX A  
JOINT POWERS AGREEMENT  
CREATING THE CALIFORNIA PUBLIC ENTITIES INSURANCE AUTHORITY

MEMBER COUNTIES (AS OF DECEMBER 2002)

ACCEL  
Alameda County Medical Center  
Antelope Valley Healthcare District  
BICEP  
California JPIA  
Campbell Union High School District  
Casitas Municipal Water District  
Central Sierra Child Support Agency  
City of El Cajon  
City of Fresno  
City of Hemet  
City of Long Beach  
City of Napa  
City of Oakland  
City of Pacific Grove  
City of San Buenaventura  
City of Torrance  
City of West Covina  
Clovis Unified  
Corona Norco Unified  
East Bay Regional Park District  
East San Gabriel Valley ROP  
Eastside Union School District  
Golden State Risk Management Authority  
Irvine Ranch Municipal Water District  
Irvine Unified School District  
Kern Health Systems  
Marin County Transit District  
Military Department of California  
Mt. Diablo Unified School District  
NCSDIA  
Oakland Base Reuse Authority  
PARDEC  
PASIS - San Bernardino  
PASIS - San Diego  
Riverside IHSS Public Authority  
Sacramento County Contracts  
San Bernardino Specified Departments  
San Jose Unified School District  
Santa Clara Sport & Open Space Authority  
Santa Cruz Fire Agencies Ins. Group  
SCSRMA  
SIRMA JPA  
SLIM  
Torrance Unified  
Tri-City Mental Health Authority  
West San Gabriel Property & Liability JPA  
Westside Union School District